Comptroller and Auditor General and an elaborate system of off-site, on-site and Risk based supervision of RBI which is elaborate and in several ways goes deeper than the audit. Banks' audit by external auditors is thus supplemented by intensive supervision within RBI and is overseen by the Board for Financial Supervision (BFS) consisting of eminent persons who are directors of the Central Board of RBI.

Effect of VRS on banks efficiency

†851. SHRI SURENDRA LATH:
SHRI KRIPAL PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether due to computerisation and re-establishment, implementation of VRS and imposition of undeclared ban on appointments and stopping of appointment on compassionate grounds in Public Sector Banks, there is a shortage of staff due to which services in the banks are getting affected;

(b) if so, whether it is also a fact that with the implementation of VRS, about one lakh employees have been removed from the Public Sector Banks all over the country; and

(c) if so, whether the Government would consider removing undeclared ban immediately and making consider appointments on compassionate grounds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) There has been marginal reduction in the staff strength in the Public Sector Banks (PSBs) from 7,57,048 (as on 31.03.2002) to 7,52,627 (as on 31.03.2004), as a result of manpower planning by them to ensure optimum utilization of manpower at various levels to meet their requirement and business strategies. Banks have also taken steps to speed up computerization of their branches/offices towards improving customer services and reducing the workload on their staff. Consequently, banking services have improved substantially with lesser workload on their staff.

(b) and (c) Under the Voluntary Retirement Scheme (VRS) as against 1.27 lakh applications received by PSBs, about 1.02 lakh employees

†Original notice of the question was received in Hindi.

actually took the VRS. However, there is no ban on recruitment in the PSBs. As regards the appointments on compassionate grounds, the PSBs are in process of formulating their own schemes for payment of ex-gratia lump sum amount in lieu of compassionate appointments to the dependents of deceased employees, on merits.

FDI policy for PIO in aviation sector

852. SHRIMATI KAMLA MANHAR:
SHRI C. RAMACHANDRAIAH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that according to Foreign Exchange Management (Transfer of Issue of Security by a person resident outside India) Regulations, 2000 and Foreign Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations 2000, the provisions of the FDI policy in domestic aviation sector also apply to Persons of Indian Origin (PIO);

(b) if so, the details thereof;

(c) whether as per regulations and the prevalent policy of Government, the investment by Non-Resident Indians (NRIs) and PIO are treated at par as far as investments in domestic aviation sector is concerned; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Generally PIOs are given the same status in the sphere of investments in India as given to NRIs. However, in the Civil Aviation Sector, the issue of PIO Cardholders being accorded a dispensation similar to NRIs in case of FDI is under examination.

Income Tax raids on builders of Mumbai

853. SHRI UDAY PRATAP SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Income Tax authorities had conducted search into the premises of leading builders of Mumbai;